

AUSTIN CITY COUNCIL

AGENDA



Thursday, November 30, 2006

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Public Hearings and Possible Actions RECOMMENDATION FOR COUNCIL ACTION

ITEM No. 65

Subject: Conduct a public hearing to receive public comments and adopt an ordinance amending the pole, tower and other infrastructure attachment fees in the Electric Rate Schedule in Exhibit A of Ordinance No 20060911-004

Fiscal Note: A fiscal note is attached

Additional Backup Material

(click to open)

- ☐ [Fiscal Note IAM](#)
- ☐ [EUC Action Notes](#)

For More Information:

Boards and Commission Action: Recommended by the Electric Utility Commission.

This RCA is to authorize an increase in fees associated with Austin Energy's (AE) Infrastructure Asset Management (IAM) program, based on market study findings and a thorough evaluation of Austin Energy's current fees and processes. Earlier this year, AE's IAM group conducted a market study to review the electric utility's fee structure, the purpose of which was to 1) ensure fair market value in leasing City of Austin/AE assets, 2) benchmark IAM's program fees against other utilities; and 3) determine the need for possible fee adjustments. The last time IAM fees were adjusted was in 2001.

The market research focused on IAM's core revenue source of leasing portions of our transmission and distribution assets to telecommunications companies, both wireless and fiber-based. Several emerging trends were identified, as all the utilities contacted were reevaluating how they did business in relation to leasing their infrastructure for telecom use. For example, all had either raised related fees in the past year or were planning to do so in the next six to 18 months, to have fees that more accurately reflect the marketplace and the demands that telecom companies place on their workforce. Many were restructuring their pricing strategies to be more streamlined and to address emerging technologies such as attachments for wireless Internet. Infrastructure leasing among electric utilities is undergoing a second wave of growth precipitated by improved technology, the rise in the number of cell phone users, and the increase in services provided by telecom companies (e.g., Wireless Internet; Internet on cell phones).

FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:

November 30, 2006

WHERE ON AGENDA:

Ordinance

DEPARTMENT:

Austin Energy Operating Fund

Conduct a public hearing to receive public comments and adopt an ordinance amending the pole, tower and other infrastructure attachment fees in the Electric Rate Schedule in Exhibit A of Ordinance No 20060911-004

Austin Energy Operating Budget

Projected Revenue

	Year 1	Year 2	Year 3	Year 4	Year 5
Infrastructure Revenue	<u>\$136,270</u>	<u>\$140,359</u>	<u>\$144,569</u>	<u>\$148,906</u>	<u>\$153,374</u>
	\$136,270	\$140,359	\$144,569	\$148,906	\$153,374

Signature: J. E. Pokorny, Director Planning & Budget, Austin Energy Date 11/15/2006



Electric Utility Commission
October 16, 2006
Meeting

Conduct a public hearing to receive public comments and adopt an ordinance amending the pole, tower and other infrastructure attachment fees in the Electric Rate Schedule in Exhibit A of Ordinance No. 20060911-004.

Motion by: Fath

Seconded by: Wolfe

Ayes. Alvarez, Fath, Knaupe, Sessa, Schmandt, Shaw, Weston, and Wolfe

Nays. NONE

Abstaining. NONE

Off the dais: NONE

Absent: NONE

The Commission approved this item, 8-0